

The End of Work and the “Marginal Mass” Thesis

by
José Nun

There is very little that can truly be said about the future by the social sciences. The laws of causality that we sometimes invoke tend to be merely statistical, our explanations of the past or the present are too partial to be extended in time as predictions of what will occur, and our very object of study is highly heterogeneous and unstable.¹

However, if we cannot make predictions, we may formulate plausible conjectures. In fact, as Sheldon Wolin once wrote, in the history of political thought warnings have always been more important than predictions. And warnings are no more than conjectures about the undesired results that can arise if the necessary measures are not taken to prevent them. Therefore the greatest success a warning can aspire to consists precisely in preventing what was foreseen from occurring—which is another way of saying that warnings only refer to the future because they seek to have some effect on the present.

And it is exactly to this—placing ourselves in a warning mood—that any reflection on the future of wage work should lead us nowadays. Of course, it was not always like this. In a famous 1873 paper on the future of the working classes, Alfred Marshall for one rejected the idea that men would ultimately be equal, but he was sure that progress would continue “steadily, if slowly, till, by occupation at least, every man is a gentleman.” Much later, almost 50 years ago, two well-known French experts wondered what the world would be like by the year 2000 (see Fourastié and Vimont, 1956). And they answered that the workers’ fear of technological unemployment was no longer justified, since “nowadays, problems such as unemployment, purchasing power, and economic crises have all been overcome by the science of economics just as tuberculosis and infectious diseases have been by medicine” (Fourastié and Vimont, 1956: 103). It is not that they were unaware of

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the difficulties. Noncollectivistic economic systems necessarily generate periodic crises and chronic unemployment, but "economic forecasts and the adaptation of the active population structure to the consumption structure have already reduced and will in the future continue to reduce economic crises and underemployment as the techniques of forecasting and guiding are perfected" (Fourastié and Vimont, 1956: 126).

They were writing in the boom days of Fordism, Keynesianism, and the welfare state. Thus, they based their conjectures on some partial aspects of the reality of their time and could not imagine that the century would end with over 800 million unemployed or underemployed human beings (50 million of whom live in the wealthiest countries in the world) and the prospect of a probable worsening of this situation given that the world's population may increase by one-third in the next 25 years. It is enough to recall that, according to United Nations figures, over 1 billion new jobs must be generated in the next 10 years not to eliminate unemployment but only to prevent its growth.

Shortly after the publication of Fourastié and Vimont's (1956) book, in 1966, I began to sketch a very different vision of this subject and maintained, among other things, that "the United States is beginning to resemble the underdeveloped countries—here, the Latin American ones—insofar as it generates a *marginal mass* that cannot be absorbed by the hegemonic sector of the economy" (Nun, 1969b: 211). The concept gave rise to considerable controversy at that time, but since then the nucleus of my argument has reappeared in diverse guises in some of the most widely read literature on these issues.

Let us listen to some contemporary and influential voices from the First World (Kumar, 1984: 15):

We are faced with a future in which unemployment will be a normal and not an aberrant experience for the mass of the population. Since we are all potentially among the unemployed, this has now become much more than a matter of pleasant speculation about other people's lives.

"The disease of technological unemployment is now endemic and tends to be irreversible" (Lunghini, 1995: 61). "A world with almost an absence of jobs is approaching by leaps and bounds and may arrive before society has enough time to debate its important consequences and to prepare fully for its generalized impact" (Rifkin, 1996: 117). "We are headed for a capitalism without work in all the postindustrial countries" (Beck, 1997: 51). "One need not be a prophet to recognize the main problem that will worry the institutions of our political economies in the foreseeable future, on both a national and global level" (Offe, 1996: 24).

This main problem is precisely the lack of paid jobs. Moreover, it is significant that in the 1950s an unemployment rate of up to 3 percent was considered to be full employment; in the 1960s the rate was raised to 4 percent; in the 1980s it was made to oscillate, as a minimum, between 5 and 5.5 percent, while today 6 or 7 percent is taken to be an acceptable floor.²

However, my marginal mass thesis was not limited to the issue of unemployment, and at least in this respect it went beyond the current debate, in which the International Labour Organization (ILO), for example, maintains that unemployment can still be eliminated while writers like those cited above believe the contrary. For this reason and others, which I will develop in due course, it may be useful to return briefly to that thesis and some of its foundations.

THE MARGINAL MASS THESIS

First in the *Grundrisse* and then in *Das Kapital*, Marx elaborated the concepts of “relative surplus population” and “industrial reserve army,” and they have had a significant bearing on analyses of the dynamics of capitalist accumulation and employment to this day, even though many of these analyses remain silent about or sometimes even unaware of their source. My argument was based on a criticism of the way such influential writers as Oskar Lange and Paul Sweezy had assimilated those two concepts as if they were identical, not recognizing the important difference between the genesis of a surplus population and the effects it has on the system that gives rise to it, as follows from Marx’s treatment of the subject in the *Grundrisse* (1968: esp. 105-113)—a work, I should add, that was unavailable when Lange and Sweezy produced their main analyses.³

According to Marx (1968: 106),

It is the means of employment and not of subsistence that place [the worker] in the category of surplus population. But this should be conceived more generally, and relates to the social mediation as such through which the individual gains access to the means of his reproduction and creates them; hence it relates to the conditions of production and his relation to them.

This means that the surplus population “is, then, a surplus for a given level of development” (Marx, 1968: 109) and, consequently, “in different modes of social production there are different laws of the increase of population and surplus population” (Marx, 1968: 110).

The general nature that Marx ascribes to the concept of surplus population is thus clear. The confusion displayed by the majority of his commentators is linked, among other things, to the fact that they have centered their analyses exclusively on chapter 23 of *Das Kapital*, where Marx examines how a relative surplus population is generated by the capitalist mode of production and, at the same time, discusses the functional effects it has on the dynamics of accumulation in a particular stage, that is, the extent to which it operates effectively in such a case as an industrial reserve army. The problem is that the erroneous identification of the two concepts has prevented them from seeing that the surplus population can also have nonfunctional effects and thereby blocked their examination of both the conditions in which one or another kind of effect emerges and their consequences.

It was precisely to refer to the nonfunctional effects of the relative surplus population (which, according to the circumstances, may be afunctional or dysfunctional) that I introduced the concept of the marginal mass. It is obvious—and I said so—that, like the industrial reserve army concept, this notion designates the relationships between the surplus population and the system that gives rise to it and not the agents or supports of such relationships, contrary to what some commentators have suggested.⁴

Thus, Marx included three “very diverse modalities of the relative surplus population” in the industrial reserve army: the latent, the stagnant, and the floating. He considered the first two to be transitional and therefore focused his theoretical effort on the third, that is, on the situation of those labor contingents that, in the centers of modern industry, “production repels and then attracts again” (1956, vol. 1: 532-542).

Marx was concerned with industrial capitalism in its competitive phase. His empirical reference was pre-1875 England, when this phase was reaching its peak and capitalism was still basically a matter of individual small-scale entrepreneurs closely tied to the ups and downs of the market. At the same time, this was a period in which the development of the machine was deskilling the labor force, destroying the hierarchy of specialized workers typical of the factory. This made it plausible for Marx to take for granted a process of progressive homogenization of both the labor market and the workers, whose replacement appeared less and less problematic.

This explains the functionality that he attributed to the surplus population in the context of a strong and autonomous capitalism capable of optimizing its investment decisions according to the factors of production that were locally available. Such a surplus population supplied the hands needed in the ascending phase of the economic cycle and in moments of “sudden expansion” of capital such as the building of the railroads.⁵ It was also a constant

threat to the employed that helped to keep them in line and served as “the background against which the law of supply and demand for labor moved,” that is, as a curb on a disproportionate increase in the price of the labor force (Marx, 1956, vol. 1: 509, 512, 515).

Since then, however, for several important reasons an analysis in terms of the functionality of the relative surplus population is necessary but not sufficient to characterize its relationships with the dominant sector of the economy. I will mention three that I thought central 30 years ago and have since become even more significant and complex.⁶

One is the transition of the capitalist mode of production to its monopolistic phase, which Marx foresaw but did not analyze.⁷ In this new stage of accumulation, labor markets become strongly segmented. Science and technology are incorporated into the production process itself, and as a result the skills composition of the demand for labor changes and the replaceability of workers diminishes. Although they do not disappear, the direct and indirect functions that the relative surplus population once fulfilled in relation to the dominant sector of the economy are considerably mitigated. This sector now tends to operate in the various markets much more as a price giver than as a price taker⁸ and develops various strategies to integrate the worker into the company in the framework of social legislation that hardly existed in Marx’s time and of the activities of mass trade unions that he never knew.⁹

The second reason relates to the powerful impulse that the internationalization of capital has gained in this century, affecting both central and peripheral countries. On the one hand, the investment decisions of transnational firms have increasingly come to be adopted on a world scale and do not necessarily depend on local profitability rates. Besides, and mainly in the peripheral countries, the congruence between technological innovations and the local endowment of factors that Habakkuk (1967) described so well for the cases of England and the United States in the nineteenth century seldom exists, hence the limited relevance of a model such as W. Arthur Lewis’s (1960) of “economic development with unlimited supplies of labour” for the regions of Latin America and the Caribbean for which it was conceived.

This model was, indeed, an almost literal and unacknowledged extrapolation of Marx’s theory of the industrial reserve army, which led Lewis to take for granted sustained growth in the modern industrial pole of the economy based on labor-intensive technology, constant salaries, and continued local reinvestment of the high profits thus obtained. Under these conditions, not only does the whole surplus population previously absorbed by the subsistence economy become, by definition, functional to the system but what ends up proving problematic is its depletion, ultimately leading to either the import of workers or the export of capital.¹⁰

The last of the reasons that I want to mention concerns the deep transformations that occupational structures have been undergoing everywhere for at least the past 50 years. Both the analyses of Marx and those of many who followed them adopted the manufacturing sector as their point of reference, and even the postwar welfare states were still organized around the figure of the factory worker, the sole breadwinner for his family. But, as has been said about England, if up to a few decades ago the average worker was, in effect, an industrial laborer, head of the household, with a stable job and a reasonable income, today the average worker tends to be a single mother who supports her family with a part-time and low-paying job in the services sector. Whatever the case, industry has undeniably declined as employer of the labor force in favor of a generalized process of expansion of the tertiary sector, both public and private. This has led to occupational structures that are far more heterogeneous and unstable than the earlier analyses had ever imagined, fragmenting labor markets and adding enormous complexity to the effects of the surplus population on the movements of capitalist accumulation.

Not only that. The crisis of the large Fordist factory, on the one hand, and the growing requirements of specialization in the services sector, on the other, now combine to produce a double effect: a sharp decline in the significance of unskilled workers and occupational uncertainty among skilled workers, for many of whom the very idea of a career is becoming meaningless. This explains a rather new and critical phenomenon, "the explosion of inequalities within each sociocultural group" (Cohen, 1998: 71), and it points to a possible confusion: the segmentation of labor markets does not necessarily entail a corresponding scission of the working population, since many workers participate alternatively in several of those markets.

And so I return to the theme of the marginal mass. Given the various accumulation processes that now overlap and combine and can no longer be conceived of as mere transitional moments toward one great process in which all will end up by dissolving, the mechanisms generating the relative surplus population become plural, and the functionality of its effects varies across sectors. As a result, the unemployed are its most dramatic and visible component but by no means the only one.¹¹ In a first and very schematic approach, not only can those unemployed act simultaneously as an industrial reserve army in the secondary labor market (where the competitive sector tends to operate) and as a marginal mass in the primary labor market (often dominated by the monopolistic sector) but, furthermore, redundant workers in relation to the latter are not necessarily jobless, since they may be employed in the other sector and even, in situations of great backwardness, find themselves still fixed to the land or to some consumption fund. Of course, there are varying degrees of satellization of one sector by another. However, what I want to

highlight here is the distance that separates the conceptualization that I have been proposing from both the classic treatments of the subject and some of the more recent theorizations about it.

With regard to the former, my marginal mass thesis was meant to question a leftist hyperfunctionalism, wherein even the last landless peasant in Latin America (or Africa) was considered to be functional to the reproduction of capitalist exploitation. On the contrary, I tried to show that in many places a surplus population was growing that in the best of cases was simply irrelevant to the hegemonic sector of the economy and in the worst of cases endangered its stability. This presented the established order with the political problem of managing such nonfunctional surpluses to prevent them from becoming dysfunctional. Thus, I suggested that one of the most common strategies of afunctionalization led, contrary to conventional sociological wisdom, to reducing system integration as a way of increasing social integration. Although apartheid in its many forms was the most extreme example of this strategy, the literature on structural dualism or the urban ghettos provides abundant illustrations as well.

As for the more recent literature, I believe that because it has been highly determined by the experience of the central countries and often lacks a more comprehensive vision of the dynamics of capitalist accumulation, it tends to contain certain confusions that may be clarified in the light of what has just been said. Besides, it is not uncommon for this literature to fall prey to a composition fallacy that leads to its prematurely absolutizing some of the tendencies that it rightly detects.

THE END OF WORK?

During the first postwar decades, most of the central capitalist countries not only experienced spectacular economic growth with very low rates of inflation but also reached nearly full employment—and this despite the persistence of considerable inequality and poverty, which in the United States prompted the 1960s' War on Poverty and fostered the establishment of a specialized area of research on the subject.¹²

Driven by Fordist Keynesianism, employment became the central concern of macroeconomic policies, while the responsibility of dealing with inflation was generally considered a microeconomic matter to be handled with wage and productivity agreements between companies and trade unions. The so-called salaried society (Castel, 1995) was thus created, in which full-time, stable, well-paid, and legally protected jobs were the key mechanism for

income distribution as well as the soil in which the social dimension of citizenship to which T. H. Marshall (1963) referred took root.

This situation has of course changed drastically in the past 25 years or so, when inflation became the main issue on the public agenda and employment just a question to be handled by the markets. Besides, economic recession raised its head in the 1970s, while automation gained momentum in almost every sector. An alarming rise in the rates of unemployment and underemployment followed. It was then that writers such as Gorz, Habermas, and Dahrendorf began to raise the subject of the end of work, which has since become rather muddled by a host of different interpretations. In fact, and still within the context of the most developed countries, it is obviously not the same thing to speak of "the end of work," "the end of wage work," or "the end of stable and well-paid wage work." Neither is it the same to treat work mainly as a factor of production, as an income distribution mechanism, or as an expression of the creative freedom of the human being (cf. Méda, 1995: 137).

WORK AND ITS MEANINGS

In this connection, it is good to remember that until the seventeenth century work did not constitute the center of social relationships, as was to happen later, but connoted suffering and humiliation.¹³ The change in meaning—remarkable in every sense—would occur in the second half of the next century and is inseparable from three other major processes: the rise of capitalism, with the diffusion of mercantile relations and the consequent structuring of markets, among which the labor market was going to play an obviously decisive role; the emergence of the idea of civilization, as opposed to the natural and uncontrolled inclinations of human beings; and the conception of the economy as an autonomous domain.

The birth certificate of the conception of the economy as autonomous was signed by Adam Smith in 1776, in an open challenge to mercantilist ideas. This separation of a truly economic sphere had no historical precedent and was supported by two postulates: its internal coherence and its orientation to the public good (cf. Dumont, 1987: 122). Otherwise—be it for its lack of consistency or for its pernicious effects—what was rejected would have had to be accepted, that is, the need for political intervention in the economic sphere to organize it or correct its deviations. The economy was thus presented as doubly endowed: with its own logic and with the capacity of resolving by itself the pressing problem of social cohesion.

With this I return to our subject: The nucleus of that solution lay precisely in the new concept of work the economists introduced, giving it for the first

time a homogeneous, mercantile, and abstract meaning whose essence was time. Thus the wealth of nations came to be defined by the work performed by their inhabitants and the resources they could count on. As Méda (1995: 69) concludes in her acute analysis of this process, in the same movement work came to be considered as the highest manifestation of individual freedom and as a commodity, that is, as employment. And as such it became not just the economic but the ethical foundation of capitalism and the true symbol of civilization, a moral obligation and not only a means of survival (see also Applebaum, 1995).

The radical novelty of this conception was to dominate the nineteenth century in the Western world. Since then, work has been the real essence of man, culture has been assimilated basically to work, and work has become, in practice, a “secular religion” (cf. Kumar, 1984: 7). This is not to ignore the protests and uprisings against capitalist exploitation that accompanied the first industrial revolution or the well-known socialist (and not only socialist) critiques of alienation and wage work that would follow in its wake. However, it was not work itself that was usually in question but rather the ways in which it was perverted by an unfairly organized society.

That is why, even though in the first years of the twentieth century leftist parties’ programs still included the abolition of wage work, later on some of the greatest impulses to consolidate it originated in social democracy itself, dissociating employment and income in every possible way from the vicissitudes of the market. This protection of the worker within and outside the workplace was the distinctive feature of the welfare states by means of which what has been termed the salaried society came into effect.

As one of its best observers has explained, a salaried society is not merely a society in which the majority of the workers are salaried but a highly homogeneous society with full employment in which paid work provides status, dignity, and protection, and a new kind of security is tied to work and not just to property (see Castel, 1995). This was the historically new edifice erected in the developed countries during the postwar years, albeit varying in its specific features from place to place. And it was this edifice that began showing cracks in the 1960s and swayed even more with the crises of the following years, when massive unemployment and the fragmentation of the occupational structure became facts of life.

CAPITALISM AND THE RIGHT TO WORK

Paradoxically, just as communism was collapsing, one of the main questions that Marx had formulated 150 years ago was regaining its full importance:

can capitalist growth driven by a constant expansion in productivity be combined in the long run with an effective guarantee of the right to work for all citizens?

Nowadays, a first negative answer to this question focuses on work as a factor of production to maintain that, in effect, the advances in automation are gradually and systematically eliminating it from the production process. This is a "technological" version of the end-of-work thesis, and Jeremy Rifkin (1996) has become one of its best-known proponents.

Another negative response takes a rather different path; let us call it the "philosophical" version of that thesis. It introduces a second question that follows from the negative answer it also gives to the first: How, then, can a society that is unable to guarantee its members full employment continue to be structured around work? Dominique Méda (1995) replies that it cannot and should not. It is now necessary to disenchant work, to free it from the utopian burden placed on it by the past two centuries so that other activities based on "a radically distinct logic" and "sources of true autonomy and cooperation" can be developed.

However, a careful reading of these two versions of the end-of-work thesis suggests that they are in fact resorting to a well-known technique: radicalizing an idea to make it more provocative. To say that spaces other than those of production should also be "enchanted" does not mean that production (and the labor attached to it) will disappear, at least in a foreseeable future. What they are basically talking about is rather the crisis of the salaried society, that is, of wage work as the pillar of social cohesion. Hence Rifkin (1996) emphasizes the complementary expansion of the economy of the third sector (what in France is called the "social economy"), while Méda (1995: 303) ends her book by saying that "the true problem of our society is by no means the scarcity of work but rather the fact that we lack a convincing way of distributing income."

This last observation leads me to a third version of the theme, one that I will call the "sociological." What is at stake in this case is the idea of the "end of stable and well-paid wage work" as real and attainable for a substantial part of the labor force. The proliferation of low-paid and precarious jobs is not ignored, but from the viewpoint of what the salaried society has been, above all in Europe, it is considered unacceptable to include those occupations in a definition of full employment. Therefore, the restoration of the latter is considered utopian, and what becomes important is to make its absence tolerable for those who are forced to bear it.¹⁴ To this end, it will be necessary to establish as a general premise a "right to sufficient income not conditional upon gainful employment" (Offe, 1996: 25). To put this premise into effect a

varied series of solutions has been proposed, among them a citizen income and, linked to it, an increasing “blending of formal work and voluntary organization” (Beck, 1997: 54).

WORK AND CAPITALIST ACCUMULATION

Needless to say, I cannot do full justice here to the stimulating discussions I have just referred to, nor is it my present purpose to do so. There is a sense in which they are obviously consistent with several of the hypotheses I put forth 30 years ago. However, a couple of observations are in order, and they will also pave the way for some of my comments on the Latin American case.

DEFINING FULL EMPLOYMENT

The first observation is empirical. It is far from settled in the literature that growth no longer generates employment in the industrial countries. According to Fitoussi and Rosanvallon (1997: 184), for example, “the proposition that growth does not generate jobs goes completely against the facts,” and therefore there are no valid reasons to say “good-bye to full employment.”¹⁵ The ILO (1996) maintains as much, showing that in the industrial countries between 1975 and 1982, for each percentage point of increase of the gross national product (GNP) there was a 0.49 percent expansion of employment; and between 1982 and 1993 this elasticity rose to 0.63 percent. The report concludes that the upsurge of unemployment in the past 20 years must be attributed not to a drop in the labor content of growth but to a more rapid expansion in the active population and a slower rhythm of economic progress (Fitoussi, 1996: 19, 103).

In good measure, however, the controversy revolves also in this case around a problem of definition. To put it in the terms I recalled at the beginning of this article, the “technological” and “sociological” versions of the end-of-work argument opt for what would be a simple and direct use of the concept of the marginal mass insofar as they take as their point of reference the sector of the economy offering stable, protected, and well-paid jobs. Instead, its critics resort to what would be the more complex use of the concept I presented above, one that takes into account the functionality of other jobs and workers for the reproduction of capital in nonhegemonic sectors. In other words, to a large extent the divergence hinges again on the way in which full employment is conceptualized.

To corroborate this, I quote again the ILO report (1996: 27, my emphasis): “a broad nucleus of the active population continues to hold stable and safe

jobs, *despite the fact that instability and insecurity have increased in other segments of the labor market.*"¹⁶ Similarly, Fitoussi and Rosanvallon (1997: 190) write: "The large firms multiply their layoffs and reduce their labor force, while a new universe of subcontractors, small services companies, and new forms of independent work emerge."¹⁷

The point is important (and I will return to it) because what I call the simple use of the idea of the marginal mass risks overlooking the existence of a whole series of mechanisms for the integration and neutralization of the surplus population associated with subordinate or secondary accumulation processes that the literature on the end of work tends to minimize.

SOCIAL STRUCTURES OF ACCUMULATION

My second observation is theoretical and entails a criticism that applies to my own work on marginality as well. I have mentioned earlier that the classical economists viewed the economy as an autonomous sphere endowed with its own logic. In this sense, Marx also "was a product of his time in perceiving economic logic as aggregating into a coherent—albeit irrational—whole without the need for state action" (Block, 1986: 180). Moreover, in adopting England, "the only country where the capitalist regime of production has fully developed" and the alleged mirror of the future of the rest, as a base for his reflections, Marx (1956, vol. 1: 522) was able to generalize such apparent logic without much trouble, disregarding national differences and other possible determinants of the processes he was studying.

Now, when I chose to place myself explicitly in the same terrain to make a critical revision of the problematic of the relative surplus population and the industrial reserve army, my references to politics and ideology were not strong enough to transcend the productivist economicism of the original phrasing of the issue. And I fear that for various reasons (of which some are probably similar to mine) the same thing is now occurring with the literature on the developed countries to which I have just referred.

Two findings contained in the Organization for Economic Co-operation and Development (OECD) report I mentioned earlier may be useful to introduce the point I wish to make. The first one concerns the objective stability of today's jobs: "The evidence points to *substantial differences* in tenure, turnover and retention rates *across countries*" (1997: 143, my emphasis). The second finding is of a subjective nature and refers to labor insecurity as perceived by the workers: "Insecurity is significantly lower in countries where the unemployment benefit replacement rate is higher, where there is a higher level of collective bargaining coverage, and in countries where collective bargaining is more centralized" (1997: 150).

Both these different national performances and the incidence of these diverse normative frameworks help us to enter the field of what Gordon and others have called the “social structures of accumulation” (see, for example, Kotz, 1994).¹⁸ Put very schematically, we have known since Polanyi that the accumulation process is neither autonomous nor possessed of a logic of its own. For that reason, it needs a broad set of social institutions (including political and ideological structures) to be viable. They are called on to ensure the process a certain stability and predictability by regulating capitalist competition in the market as well as conflicts between capital and labor and between different fractions of capital. As is obvious, such regulation will depend on the characteristics and intensity of these conflicts and competition—which is the same thing as saying that it is always embedded in a concrete history and that the solutions implemented will vary with time and place.

The diverse forms the relationships between capital and labor take offer a simple and well-known illustration (Gordon, 1996: 73):

Compared to most other countries, for example, the United States provides far less employment security—with no statutory provisions for mandatory advance notification of plant shutdowns or mandatory severance pay in case of plant closures—and features one of the lowest proportions of unionized workers and very decentralized bargaining relationships.

This situation brings it closer in various ways to Canada or Britain but clearly distances it from the experience of countries like Germany, Sweden, or Japan.

What I pointed out in relation to the social regime of accumulation can then be applied here as well—that is, that it must be conceived as a matrix of changing configuration within which different accumulation strategies and diverse tactics to implement them are intertwined. As a consequence, capital accumulation always appears as “the contingent result of a dialectic of structures and strategies” (Nun, 1987: 38, quoting Jessop, 1983: 98).

If this is so, any uncontrolled generalization about the end of work becomes immediately suspect. This “contingent result” may or may not lead to a dynamic adaptation between the types of technological innovations that are implemented and the available productive resources. It may or may not protect essential segments of the economy from the effects of globalization. It may or may not lead to fiscal and social policies that foster a progressive redistribution of income, and so on. This is because increases in productivity do not necessarily generate unemployment per se; it all depends, on the one

hand, on how they are achieved and, on the other, on whether there exists a global demand that can absorb the consequent growth in production. And this is not a direct effect of technological change but rather the result of the macroeconomic policies that are adopted and, ultimately, of the prevailing power relations and social, political, and ideological context—which means that the employment content of any process of growth is far from being just an economic phenomenon.¹⁹

THE CRISIS OF THE SALARIED SOCIETY

I would like to add a third observation to prevent misunderstanding. As I have said, whether it is made explicit or not, there is a consensus in the current debate on the end of work in industrial countries on at least one theme: the crisis of the salaried society that took shape in the postwar years. Depending on place and circumstance, this crisis may or may not manifest itself in high unemployment rates. However, I repeat that this is not the main point. It is striking, for example, that after four consecutive years of falling rates of unemployment in Britain and the United States it is there that the workers registered in 1996 the highest levels of insecurity about their future (OECD, 1997: 146).

There can be no doubt that the relative surplus population has long ceased to be a mere synonym for the industrial reserve army. Yet I insist: we cannot go from a vision dominated by the factory and one according to which a rather homogeneous aggregate of workers alternated between employment and unemployment to another in which the demand for labor is constantly shrinking everywhere and technological unemployment becomes the fate of an ever-expanding multitude of socially excluded individuals. Assuming what Heilbroner (1995) calls a situation of "normal growth" (to differentiate it from growth as a result of great but fortuitous transformations such as the railroads in the last century and the automobile in ours), his conjecture on the future of wage work in the industrial countries sounds reasonable: "inadequate, although not disastrous, unemployment, perhaps not a prospect to generate deep fears, but neither is it one to offer complacent expectations" (1995: 102).

I would add, in line with what I have already said about the crisis of the salaried society, that the perspective of a very probable increase in precarious occupations and informal jobs is not a motive for "complacent expectations" either. However, this speaks less of exclusion in the strict sense than of the segmentation of labor markets and the rise of new forms of retention and exploitation of the labor force: it is one thing to be outside and another to be

inside, even if the conditions are bad or very bad. I believe the distinction is significant. First, if today's unemployed are on the way to becoming in many places a "purely virtual group, without representation" (Fitoussi and Rosanvallon, 1997: 205), the same does not necessarily apply to these other fractions to which I refer. Those who exploit such workers have a vested interest in maintaining the situation, and therefore the ways in which they may resist change must also be included in our reasoning about the future. Differentiating among cases that are in fact diverse clears the way for analyzing the mechanisms of afunctionalization of the surplus population that may be operating in given places and times, sustained by such factors as age, gender, ethnicity, and geographical location.²⁰

This last reference brings us back to the possibility that in such contexts, system integration and social integration may not be positively associated and that, contrary to what would be expected, this noncovariance may become an important factor for stability, as has historically been the case in Latin America. At the same time, to pose the increase in precarious occupations and a growing stratification of the workforce (and not simply the disappearance of wage work) as a short- or medium-term perspective confronts us with the wider problem of the principles of equality and social justice that are to be considered acceptable and challenges us to imagine new intervention strategies to help implement them. As Esping-Andersen (1997: 243) suggests,

the most logical solution that presents itself is that we rethink the idea of redistribution and rights: accepting inequalities for some, here and now, but guaranteeing at the same time that those who fare less well "here and now" will not always do so; that underprivilege will not be a permanent fixture of anyone's life course.

THE LATIN AMERICAN CASE

It is not by chance that the debate on marginality began in Latin America or that it was in this context that the issue of the irrelevance of a substantial proportion of the surplus population, in terms of the reproduction of the capitalist sector that hegemonized an uneven and dependent process of growth, arose as a topic three decades ago. Not even in the best moments of the post-war process of industrialization by import substitution (which varied across countries) were regional levels of unemployment and underemployment ever below 30 percent. At the same time, even where some *sui generis* forms of the welfare state were implemented, nothing resembling the European salaried society was established.

This does not mean, however, that between 1950 and 1980 the agrarian labor force did not diminish (it went from 55 percent to 32 percent), and with it a proportion of rural poverty, or that there was not in that period a very significant expansion in education at all levels, despite its poor quality and inequitable character, or that the size of the middle and upper urban strata did not increase. However, the general style of development that prevailed (and, I insist, with very different national trajectories) led to a rather discontinuous process of growth that resulted in greater income concentration and ever more serious difficulties in absorbing the available labor force—and this despite a deepening productivity gap with the industrial countries.²¹

THE "LOST DECADE"

The exhaustion of that stage (perhaps more apparent than real in countries such as Argentina or Brazil), the severe crisis of the external debt, and the mounting pressure of the big transnational interests that were articulated around the Washington Consensus led almost everywhere to drastic changes in the prevailing social regimes of accumulation.

The new watchwords were the reduction of the state (with the privatization of state enterprises and the decrease in public expenditures at the forefront), the achievement of macroeconomic stability through greater fiscal discipline and an all-out fight against inflation, the deregulation of the markets, giving absolute priority to private investment, and an opening of the economies to international trade and finance that was nowhere in the world so abrupt and so intense.²²

These radical changes were to mark what was to become known as the "lost decade" of the 1980s, during which national per capita income in the region fell by 15 percent while the concentration of wealth grew significantly (except for Colombia, Costa Rica, and Uruguay). According to ECLA figures, despite the fact that rural poverty did not increase in this period, the proportion of households below the poverty line moved from 35 percent in 1980 to 37 percent in 1986 and 39 percent in 1990.

Concerning the labor force, in that decade employment contracted in the public sector and nontechnical jobs in the formal urban sector fell, while professional and technical positions increased and jobs in low-productivity sectors tended to increase in relative terms. Employment in formal activities grew at an annual rate of 2.5 percent while the underemployment of urban labor expanded uniformly at a rate of 5 percent annually (Altimir, 1997: 13). That is, marginalization became even more acute.

INEQUALITY AND THE MARGINAL MASS

The trend has not been reversed in the 1990s, when supposedly the adjustments were to bear fruit. On the contrary, the regressive changes in the composition of employment have intensified: thus, while the modern/formal sector absorbed 48 percent of the workforce in 1990, in 1996 the proportion dropped to 43 percent. It is not hard to understand why; of every 100 new jobs generated between those years, 85 were in informal activities (self-employed workers, microenterprises, and domestic service), of low quality and income and without any kind of social protection.²³ At the same time, since employment declined in the large and medium-sized industrial firms, 9 out of 10 new jobs were created in the services sector, and in turn, 90 percent of these jobs were informal.²⁴

In such a context, my previous observation that social marginalization is far more important than unemployment acquires much wider significance. Latin America's rate of open unemployment oscillates around 8 percent. At first sight, then, it is lower than the average rate of the European Union countries. However, it is extremely high when one realizes that in contrast to their European counterparts almost all of the unemployed in Latin America lack both insurance and benefits. Also, over half of the employed persons in the cities of the region today are unregistered, poorly paid, unstable, lacking in social protection, and without any real prospect of improvement in their work situation. In addition, the reforms that were introduced into the modern/formal sector in the name of flexibilization have lowered the costs of labor by laying off permanent workers and expanding the number of those working without contracts or on a temporary basis—that is, by increasing the precariousness of employment in the modern/formal sector itself.

Accompanied as it was by a huge concentration of income among the wealthiest 20 percent of the population, this process has had an obvious outcome: “in Latin America, inequality is now greater than before the outbreak of the debt crisis” (UNCTAD, 1997: 133). What is more, at present there is no indication that this inequality—which is the highest in the world—will be corrected in the foreseeable future (UNCTAD, 1997: 148).

And this, the question of inequality, was always at the heart of our considerations on the marginal mass and on the increasing segmentation of the labor markets and the activities directly or indirectly related to them. Regarding how open unemployment in Latin America will evolve in the coming years, Heilbroner's (1995) forecast for the industrial countries is in part also appropriate here: it will be very inadequate and erratic but not necessarily much worse than it is now, barring unexpected but not improbable events.²⁵ Instead, if nothing changes, the perspective is that the quality of most jobs will

continue to deteriorate seriously and there will be a further regression in income distribution. And that, in a globalized world, will surely end up negatively affecting the very process of capital accumulation, given the lack of incentives, the insufficiency of domestic markets and savings, and the way in which the process has come to depend on foreign investment.

To set in motion a different strategy, one fostering equitable and sustainable economic growth, would demand, among other things, active policies to promote national savings, to develop scientific and technological capabilities, to educate and train the labor force, to enact progressive fiscal reform, to redistribute income in favor of the less advantaged, to incorporate the excluded, and so on.²⁶ In other words, it would entail profound transformations in the social regimes of accumulation now in force. It is easy, for example, to agree with Altimir (1997: 27) that the acceleration of growth and the increase in equity require a state that complements the market signals and specifically coordinates macroeconomic management, institutional reforms, the development of factors markets, and microeconomic measures to that end. However, this means transforming the now dominant alliances and escaping from the "there is no alternative" straitjacket. In other words, the great subjects are, as always, politics and power relations.

30 YEARS LATER

When I first presented the marginal mass thesis, I had three main objectives in mind. First, I wanted to emphasize the structural relation between the processes of capitalist accumulation that prevailed in Latin America and the phenomena of poverty and social inequality, in contrast with the tendency then in vogue to lay the blame on the shoulders of the victims themselves (e.g., programs of popular promotion and the culture-of-poverty literature). Second, I wished to single out the heterogeneity and growing fragmentation of the Latin American occupational structure and its important consequences for the formation of social identities. Thus, it was by no means insignificant that Marx's view of the relative surplus population had been dominated by the floating modality, since that led him to suppose that most workers would at some time or other in their lives have the experience of factory work that he considered so essential in terms of the shaping of their solidarities and antagonisms. My third aim was to call attention to the way in which the need to afunctionalize the population surpluses conditioned system integration and gave rise, for example, to dualization and segregation mechanisms that were far less remnants of a still traditional past than expressions of an already modern present.

Whereas all this occurred during a time when the dominant ideologies in Latin America included the issue of income distribution on their Keynesian-inspired agendas and gave state action a central role in this matter, the situation has deteriorated notoriously nowadays, as witnessed by the data I have presented here. On the one hand, globalization has very much worsened the phenomena that I have mentioned.²⁷ On the other, the neoliberal currents now in vogue not only reject Keynes but take for granted the neoclassical abandonment of the classical economists' concern for income distribution: the market will provide and do it far better the smaller the government is and the less interference there is from trade unions and popular organizations.

Nevertheless, there is certainly a major difference in the context with which my analyses of 30 years ago were concerned; since the 1980s, political regimes of representative democracy of various kinds have been established in Latin America. What, then, is the link between these regimes and both the marginalization processes in progress and the poor future that can be conjectured for good-quality wage work in the region? Responding even briefly to this question takes me back to the warning mood I spoke of at the beginning of this article.

I have pointed out elsewhere the strong Schumpeterian stamp that the Latin American political literature has acquired as dictatorships have tumbled and the way in which that literature has inverted a relationship that had been an almost undisputed point of agreement in the postwar years among theorists of modernization: first economic and social development and then political democracy (cf. Nun, 1991). With this it fell into a rather obvious contradiction: it extracted the procedural definition of democracy from Schumpeter without the conditions he imposed on his own definition, beginning with the far-from-irrelevant fact that it was explicitly restricted to the case of the modern industrial countries.²⁸

To use terms that T. H. Marshall made popular from the end of the 1940s on, all the emphasis has thus been placed on the political dimension of citizenship while the civil dimension has been taken for granted and the attention given to the social dimension has been almost exclusively rhetorical. Some of the consequences are right before our eyes.

In the first place, the Latin American population is far from fully enjoying civil rights, as is apparent almost everywhere in the crisis and political subordination of the justice system, the widespread privatization and feudalization of legal apparatuses, the openly discriminatory practices of most security forces, the recurrent attempts to curb freedom of the press and freedom of association, the absence of punishment for corrupt practices, and so on.²⁹

Then, if even in well-established democracies the contractualist individualism of the civil dimension of citizenship has always been in open or latent conflict with the collective solidarity by which its social dimension is inspired, in Latin America (with few exceptions) the clear class bias of the former and the extreme weakness of the latter have deepened and widened the distinction advanced by Marshall between full citizens, semifull citizens, and noncitizens.

Ever since Rousseau, Jefferson, or Tocqueville we have known that democracy requires the participation of persons endowed with moral autonomy, without which neither deliberation nor conscious and responsible choices and decisions are possible. In turn, such moral autonomy demands a reasonable degree of economic independence and security, and that is why the farmer played such a central role in those writers' analyses. Many years later, the stable worker of the salaried society was to replace the farmer as the subject of a citizenship that was not only civil and political but social as well.³⁰

This is precisely what is not happening in Latin America today for substantial sectors of the population. Unlike the postwar democratic transitions in West Germany, Austria, and Italy, first, and in Greece, Portugal, and Spain several years later, here the increase in poverty and inequality and the lack of appropriate networks of social protection are leading to the consolidation of exclusive representative democracies with a minority of full citizens—which is the same as saying that present political regimes are scarcely democratic and scarcely representative.

Given these general conditions, few signs of a progressive and all-embracing reform of the situation can be detected for now. This does not necessarily mean that an explosion of social protest is on the immediate agenda, since we have long since learned that not even social protest is always an abundant or accessible resource for the disadvantaged—especially when they are largely redundant. Localized conflicts, particularly those of a defensive nature, will doubtless continue to multiply. What is more likely, however, is that perverse forms of social integration will keep developing in the shape of clientelism, criminality, illegal trade, proliferation of ghettos and marginal populations, persistence of brutal forms of exploitation, and so on.

To sum up, if the closely related problems of the surplus population and income distribution are not placed squarely in the center of the most pressing Latin American economic, social, and political debate, neither the one nor the other will be solved as just a side effect of other processes, and the gloomy future of wage work will then cast an ominous shadow on every aspect of social life.

NOTES

1. Hobsbawm (1995: 15) is rather straightforward: “The success of the forecasters in the past thirty or forty years, aside from their professional capacity as prophets, has been so spectacularly low that only governments and economic research institutions continue to trust them, or appear to do so.”

Heilbroner’s (1995: 115) conclusion is quite similar: “Any effort to predict the path that politics, social relationships, religious beliefs, or even science itself will follow in the next century is pure arrogance.”

2. I refer to what economists call the NAIRU (nonaccelerating inflation rate of unemployment), whose components of ideological justification are hard to ignore. In 1983, for example, the *U.S. Economic Report of the President* stated that between 6 and 7 percent was the inflationary threshold of the local unemployment rate; 15 years later the U.S. level of unemployment fluctuates around 4.5 percent and the annual rate of inflation is less than 2 percent. Something similar occurs in Holland, with a 4.2 percent unemployment rate and an annual inflation rate of 2.5 percent.

3. For a more comprehensive development of these questions, see Nun (1969b; 1972: 97-128).

4. See, for example, my polemic with Fernando Henrique Cardoso, who several years later finally did recognize the existence of the structurally nonfunctional surplus population to which I referred (cf. Nun, 1972). In contrast, Aníbal Quijano (1977 [1969] and 1970) accepted and followed my theoretical treatment of the subject but went on to designate more descriptively as the “marginal pole” of the economy not so much the kind of relations that I mentioned as “a set of occupations or activities established around the use of residual resources of production” (Quijano, 1998: 70).

5. It should not be forgotten that Marx repeatedly admitted the possibility of full employment at the height of the economic cycle (see, for example, 1956, vol. 5: 75). Braverman (1974: 386) was to take up the point again many years later: “Unemployment is continuously produced and absorbed by the energy of the accumulation process itself.”

6. Here a couple of remarks are in order: First, in terms of the performance of the world economy, my original analyses of marginality were made when the second of the three postwar periods recently sketched by Brenner (1998: 9) was just beginning: (1) the long boom (1950-1965), (2) the fall in profitability and the turn from boom to crisis (1965-1973), and (3) the long downturn (1973-present). Second, from the point of view of the organization of production, those analyses dealt with some of the effects of what proved to be only the first stages of the process of automation based on computers that were to gather their full momentum in the 1970s and 1980s. Last but not least, such analyses were contextually situated on the threshold of the great cultural changes that were to shape the present size and composition of the labor force, as witnessed by the incorporation of women into the labor market. It is worth keeping in mind that the feminist critique of traditional interpretations of the social division of labor emerged only at the end of the 1960s.

7. There can be little doubt about the prescience of his section on automation in the *Grundrisse*, where he puts forth his well-known proposition on the contradictory nature of capitalism, which “pushes to reduce work time to a minimum, on the one hand, and presents work time as the only source and the only measure of wealth, on the other” (Marx, 1968: 222).

8. I use here the well-known distinction introduced by Scitovsky (1951: 182).

9. Several years later, the more precise idea of “implicit contracts” was developed in this regard (see, for example, Azariadis, 1975). According to it, employers in the dominant sector

offer higher wages, job security, and prospects of promotion in exchange for a greater degree of commitment and effort on the part of their workers. Since the end of the 1970s, however, Taylorism (one of the pillars of Fordism) stated losing ground and those "implicit contracts" followed more and more the quite diverse paths of "neo-Taylorism" and "Kalmarianism," to borrow Lipietz's (1992: 17) terms. Today such contracts are declining in importance and cover a diminishing proportion of the labor force.

10. It goes without saying that events did not work out exactly that way when the Caribbean countries were inspired by Lewis to implement their "industrialization by invitation" policies. As I pointed out long ago, the best criticism of the relevance of this model for the situations of underdevelopment that it was meant to explain follows from the very praise that Kindleberger (1967: 1) makes of it, again without mentioning its debt to Marx: "It helps to understand not only Great Britain's growth during the Industrial Revolution but also the rise in the workers' real income when this growth dropped in the second half of the nineteenth century. It is also pertinent to the development of the United States between 1880 and 1913; and, in particular . . . it is useful in explaining the extremely high rates of growth in some European countries following World War II." In other words, the so-called Lewis effect is nothing more than the "industrial reserve army effect," and its general applicability to the Latin American case is far from evident.

11. It is rather surprising that in a recent publication Quijano (1998: 109) states that the "limit" and the "difficulty" of my analysis of the marginal mass has been its concentration on the case of the "workers without work." That was never so, either on the theoretical level or in the field-work that my associates and I carried out (see, for example, Nun, 1989, and some of the papers in Nun, 1969a). Moreover, the situations that Quijano concentrates on—and that, one is led to assume, would go beyond that "limit" and that "difficulty"—are nothing more than current manifestations of what Marx called the latent and stagnant forms of the relative surplus population.

12. In fact, the economic performances of the United States and the main European countries were far from identical. From the end of the 1940s until the beginning of the 1960s, the United States had a relatively low rate of growth, high comparative levels of unemployment, and (contrary to the assumptions of the Phillips curve) high wages (see, e.g., Brenner, 1998: 48-63). Besides, as Esping-Andersen (1997: 243) has pointed out, the 1960s produced "a new welfare state egalitarianism," driven less by the working class than by the "new" social groups: "Some, such as pensioners, were the creations of the Welfare State itself; others, like women and minorities, had simply been left out in the first round of welfare construction."

13. Recall one of the most classic of all images: when God expelled Adam and Eve from Paradise and condemned them to be mortal, the punishment He imposed was that Adam would earn his bread with the sweat of his brow and Eve would give birth with pain. This is why terms such as *travail* in French or *labor* in English have long been invested with this double reference to childbirth and work, both understood as punishments for the original sin.

14. This is why Keane (1988: 96) calls for a rejection of "the inequitable, nostalgic, and self-contradictory neo-conservative and social democratic strategies for 'returning' to 'full employment.'"

15. In another text, Fitoussi is even more categorical: "The study of the past does not confirm at all the pessimistic point of view about the prospect of lasting technological unemployment" (1996: 29).

16. In reference to member countries, the Organization for Economic Co-operation and Development's (OECD) *Employment Outlook* (1997) fully coincides: "While job stability, as measured by retention rates, has fallen for certain groups, such as blue-collar and less-educated workers, overall jobs seem as stable in the 1990s as they were in the 1980s" (1997: 129). Nevertheless, the same report states that "perceived employment insecurity has become more wide-

spread in the 1990s in all OECD countries for which data are available" (1997: 134). I will return to this significant question.

17. Lance Morrow warned in *Time* (March 29, 1993): "America has entered the age of the contingent or temporary worker, of the consultant or subcontractor, of the just-in-time work force—fluid, flexible, disposable. . . . [The] human costs are enormous" (quoted in Gordon, 1996: 223). A few years later Gamst (1995: 28) used almost the same words to say that in the United States and Canada "stable white- and blue-collar jobs are disappearing structurally (that is, permanently)," with the result that "the socioeconomic contract between capital and labor is being torn to shreds. Accordingly, the twenty-first century will be the era of the disposable, rootless worker, giving a graphic new meaning to *proletarian*."

18. Some years ago I introduced the concept of the social regime of accumulation, which is closely related to the notion of social structures of accumulation, although it is more determined by its relationship with what I refer to as the political regime of government (Nun, 1987; 1995). In any case, for the purposes of this article what I say in the text should suffice.

19. Between 1973 and 1992, for example, the United States and France experienced the same annual average rate of growth of 2.3 percent, but in one case the level of unemployment remained almost constant, while in the other it rose considerably. As Cohen (1998: 95) remarks, the difference has far less to do with growth as such than with the diverse modes of regulation of the economies and even with the quite different cultural meanings attached to the situation of unemployment. On the links between social policies and the skills requirements in services, see Block (1990: 111) and Therborn (1986).

20. My comment intends to amplify and make more complex such observations as the following, restricted to the situation of unemployment (Smith 1997: 10): "High unemployment did not, as formerly assumed, necessarily lead to governments losing elections. One reason for this must be that while initially increases in unemployment may be spread fairly widely across the community (and are associated with a highly visible increase in business failures), eventually they become concentrated on the most disadvantaged and least vocal sections of society." Coincidentally, Quijano (1998: 92), reviewing the literature on the informal sector, concludes that perhaps its most interesting finding is that there is "a factor that is decisive: the identity of the group (ethnic, regional, religious, familiar, and political)" serving as "the main support of the cohesion of the unit of economic activity."

21. In reference to this period, Altimir (1997: 7) asks why, given the improvements in education, moderate rates of growth were always accompanied by greater inequality. And he responds, "One reasonable hypothesis is that, given low and unstable rates of growth, institutional factors and the segmentation of the labor market take precedence over the dynamics of human capital in maintaining or increasing the role of education in the formal sector and in keeping even workers with a good educational background ill-paid in informal jobs."

22. A recent United Nations Conference on Trade and Development (UNCTAD) report (1997: 124) states in relation to Japan and the Southeast Asian countries that in none of these cases "was economy-wide trade and financial liberalization undertaken before surplus labour was absorbed; nor was sector-specific exposure of the domestic market to foreign competition undertaken before attaining significant productivity growth and learning." In Latin America, in contrast, the opening of the economies was generally meant as a response to the very failure to establish an industrial structure that was both competitive and efficient.

23. Unless otherwise indicated, the data in this section were taken from the *Panorama laboral 1997*, prepared by the Oficina Regional para América Latina y el Caribe, International Labour Organization (ILO) (1997).

24. Today in Argentina—one of the most "modern" countries in Latin America—"permanent, stable, registered jobs include a very small segment of the labor force" (*Clarín*, November 22,

1998). According to recent official data, only one-third of the active population is employed in the formal sector, and a sizable fraction of these workers have temporary or partial contracts or are on probation. Another 25 percent of the active population work in the informal sector, 27 are self-employed (mostly unregistered), and around 14 percent (some 2 million persons) are openly unemployed.

25. This last formula may sound a bit strange. It calls attention to the great external vulnerability of the Latin American economies, which makes crises probable even though it is difficult to foresee their shapes and rhythms in different moments and places.

26. Evidence gathered in the early 1990s in Colombia, Ecuador, Paraguay, Peru, Uruguay, and Venezuela reveals, for example, that the sectors that receive income from property and businesses consume on average over 85 percent of such income, an expenditure that is equivalent to up to 40 percent of the national revenues (UNCTAD, 1997: 172). As is apparent, the same wasteful spending mechanisms of the economic surplus that Paul Baran referred to almost half a century ago are still in full operation.

27. UNCTAD's (1997: 137) comparative reference to the middle-income countries (above all the Latin American ones) is as valid as it is unpleasant: "The poor suffered from trade liberalization because they were not poor enough or because they were not sufficiently numerous. At the same time, these countries are unable to expand their skill-intensive exports because they cannot compete with industrial countries."

28. "If a physicist observes that the same mechanism works differently in different periods and in different places, he concludes that its functioning depends on conditions outside that mechanism. We cannot but reach the same conclusion about the democratic system" (Schumpeter, 1961: 368).

29. See on this O'Donnell (1998), who, citing Domingo Villegas, refers to "a dualistic development of the justice system" centered on those aspects "that concern the modernizing sectors of the economic elite in matters of an economic, business, or financial nature . . . [while] other areas of litigation and access to justice remain untouched, corrupted, and persistently lacking in infrastructure and resources."

30. "The truth is simple: without material security, no political freedom" (Beck, 1997: 53).

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